

Gila County Policy Disposal of Fixed Assets and Inventory	Policy Number: BOS-FIN-014	Page
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**I. PURPOSE:**

The purpose of the Disposal of Assets and Inventory Policy is to establish policies and procedures governing the activities for Divisions / Departments and Elected Offices in Gila County that will ensure consistent management of all capital asset and inventory items.

**II. POLICY:**

The Board of Supervisors acts in all matters pertaining to the disposition of capital assets and surplus materials and hereby offers the following definitions and authorization as follows. All disposition of assets or inventory must be processed and approved by the Procurement Group.

**Excess Materials:** Materials which have a remaining useful life but which are no longer required by the using department in possession of the materials.

**Surplus Materials:** Materials that no longer have any use to the County. This includes obsolete materials, scrap materials and nonexpendable materials that have completed their useful life cycle.

- **Transfers:** Transfer of excess or surplus materials between Gila County departments is the responsibility of the transferring department. The department transferring a capital asset to another department within the County organization shall fill out a Capital Asset Change Report Form.
- **Lost, Stolen, or Destroyed:** Lost, stolen, or destroyed assets will be investigated by the Division / Department Head, Elected Official or the Risk Manager and/or the necessary law enforcement agency.
- **Damaged or Obsolete:** Before damaged or obsolete capital assets are salvaged/disposed, a Capital Asset Change Report Form must be submitted to the Finance Department.
- **Disposition:** Disposition of capital assets will be arranged by the Finance Department in accordance with sale requirements prescribed by state or federal law or by contractual obligations.

**SIGNATURES:**

  
CHAIRMAN, BOARD OF SUPERVISORS

8/20/12  
DATE

See attached Disposal of Fixed Assets and Inventory Procedure

## **Gila County**

### **Disposal of Fixed Assets and Inventory Procedures**

The purpose of the disposal of assets or inventory procedure is to describe the specific procedures governing the activities for Elected Officials, Special Districts governed by the Board of Supervisors, and employees in Gila County that will ensure consistent management of all capital asset and inventory items.

#### **8.1 Definitions (ARS § 41-2601)**

1. *Excess Materials.* Materials which have a remaining useful life but which are no longer required by the using department in possession of the materials.
2. *Nonexpendable Materials.* All tangible materials which have an original acquisition cost over an amount set by regulation and a probable useful life of more than one year.
3. *Surplus Materials.* Materials that no longer have any use to the County. This includes obsolete materials, scrap materials and nonexpendable materials that have completed their useful life cycle.
4. *Equipment.* Capital asset items, real property or personal property which requires a purchase order to procure.

#### **8.2 Disposition**

1. The Procurement Group may act on behalf of the county in all matters pertaining to the disposition of excess and surplus materials as referenced in the Gila County Disposal of Fixed Assets and Inventory Policy BOS-FIN-014.
2. No department or county office shall transfer, sell, trade-in, condemn, or otherwise dispose of materials owned by the county without written authorization of the Procurement Group.
3. Departments and county offices shall notify the Procurement Group of all excess and surplus materials on such forms and at such times as the Procurement Group may prescribe. The Procurement Group shall determine the fair market value of excess and surplus property.
4. The Procurement Group shall facilitate the transfer of excess or surplus materials to or between other county agencies, other units of government and eligible nonprofit institutions.

### **8.3 Auction of Surplus Material (A.R.S. §11.251[9])**

County surplus materials may be offered through competitive public online surplus auction or through a public attendance auction.

#### **8.3.1 On-Line Auction**

If the requesting department or office would like surplus material placed on the online auction the following procedures shall apply:

- a. The requesting department or office shall notify the Procurement Group requesting material placed on auction. Procurement will forward the department or office the electronic Surplus Material Auction Request Form, Exhibit "O", or the Auctioned Vehicle Information Sheet, Exhibit "P", to be completed and return to the Procurement Group. (Note: Material shall remain at the department or office until picked up by the winning bidder.)
- b. On-line auctions will be held quarterly unless an excess of surplus material dictates the auction be held sooner. The determination to move forward the auction date will be made by the Procurement Group depending on what is in the County's best interest.
- c. Before items "controlled assets" acquired with grant funds can be disposed of the responsible department or office must request and receive approval from the granting agency.
- d. Once the Procurement Group receives the information from the requesting department or office a "Notice of Public On-Line Auction" is written and sent to the posting newspaper to be published 30 days before auction is held per A.R.S §11-2151(9). The notice must contain the auction web site address [www.publicsurplus.com](http://www.publicsurplus.com), date items are to be released for bidding and a list of items to be auctioned.
- e. The "Notice of Public Auction" shall be placed in the agenda quick system to go before the Board of Supervisors for approval to advertise to post and to be determined by the Board as surplus material prior to sending to the news paper.
- f. After notification is received from the online auction of a winning bidder the Procurement Group will work with the winner concerning payment and pick up of the material.
- g. The Procurement Group will complete the Equipment Disposition Form, Exhibit "Q" and submit to the Accounting Group upon completion of sell and item pickup.

### 8.3.2 Public Auction

If the requesting department or office would like surplus material auctioned at a public attendance auction the following procedures shall apply:

- a. See procedures 8.3.1.a, b, c, above.
- b. Once the Procurement Group receives the information a "Notice of Public Auction" is written and sent to the posting newspaper to be published 30 days before public auction is held per A.R.S. §11-251[9]. The notice must contain a description of the item(s) and date/time/place of the auction.
- c. Upon completion of auction, procedures 8.3.1.e,f,g, above, will be completed.

### 8.3.3 Allocation of Proceeds from Sale of Surplus Material

- a. County government departments and offices A.R.S. §41-1713(B)(6), that originally purchased a material with **general fund** monies shall not be reimbursed for its sale.
- b. Departments and offices that originally purchased a material with special fund monies, such as grants, transportation tax, federal funds, highway revenue funds, etc., shall be reimbursed less auctioneer fee.
- c. If the material was forfeited pursuant to a civil forfeiture action filed by the Gila County Attorney, the proceeds shall be deposited into the *County Attorney Racketeering Fund Account (RICO)* minus the online auctioneer fee.
- d. If the material was seized by the Sheriff's Office not pursuant to a civil forfeiture action filed by the Gila County Attorney, the proceeds shall be deposited into the *Sheriff Seized Eq Recapture Account* minus the online auctioneer fee.

### 8.3.4 Auction Revenues

Monies received from the sale of auction items shall be processed by the Procurement Group as follows:

- a. Treasurers Receipt completed containing information about the item i.e., serial number, vehicle identification number, model, make, description, asset number and auction number.
- b. There is a 7.5% auctioneer commission fee charged by Public Surplus on all on-line auction sales which will be coded to the General Fund-Purchasing-Miscellaneous Sales of Equipment Account. Public Surplus will submit an electronic invoice to the Procurement Group monthly for the fee. There will not be a fee charged on public auctions.

- c. The Treasurers Receipt is to be signed by the individual processing in Procurement and approved and signed by the Accounting Group.
- d. Once signed the monies and Treasurers Receipt are to be given to the Treasurer's Office for processing.

#### **8.4 Lost, Stolen, or Destroyed Nonexpendable Material (Assets or Inventory)**

The theft of nonexpendable material shall be immediately reported to the appropriate law enforcement agency.

All lost, stolen or destroyed nonexpendable material shall be reported by the department or office within ten (10) days after discovery of the loss to the Procurement Group.

1. The Procurement Group shall delete such nonexpendable material from the inventory.
2. Any such material deleted from the inventory that is subsequently located shall be added back to the inventory.